

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Proposed
Denial of Service Rule.

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Case No. AX-2003-0574

SUPPLEMENTAL COMMENTS OF MISSOURI GAS ENERGY

COMES NOW Missouri Gas Energy ("MGE"), a division of Southern Union Company, by counsel, and in response to questions from the bench during the Missouri Public Service Commission ("Commission") January 26, 2004 hearing in the captioned matter, respectfully submits the following supplemental comments in response to the Commission's proposed Denial of Service Rule:

1. MGE supports the amended Denial of Service Rule agreed upon by the Commission's Staff and the industry during the January 26, 2004 rulemaking hearing. During that hearing, Commissioner Gaw asked whether the industry would be able to implement the amended Denial of Service Rule by the next heating season. In response, MGE states that it should be able to implement the amended rule on or about October 2, 2004 as long as the related financial and administrative issues are resolved by that time.

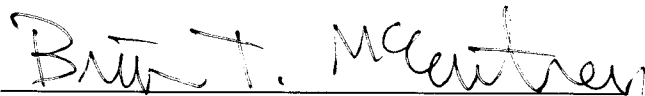
2. MGE believes that the new agreed upon Denial of Service Rule will significantly increase its cost of doing business. Consequently, lagging the implementation timeline by eight months following the rule's effective date will enable the Commission to address the revenue requirement impact of the new rule in MGE's pending general rate proceeding (Case No. GR-2004-0209). The operation of law date in Case No. GR-2004-0209 is on or about October 2, 2004. Therefore, the financial issues related to the new rule should be addressed in the rate case and resolved in

time for the next heating season.

3. In addition, upon learning the final requirements of the new rule, MGE and other utilities will need a reasonable amount of time to make whatever administrative changes are necessary to achieve compliance. These changes would include, but not necessarily be limited to, training of personnel on the new requirements, development/modification of door hangers or other forms of customer notice necessitated by the new rule, and possible adjustments to MGE's computerized customer service system. Assuming the rule is issued in reasonably prompt fashion so that the rule's final requirements can be known prior to March 1, 2003, MGE believes it should be prepared to comply with the rule effective October 2, 2004, concurrent with the effective date of the order in MGE's pending general rate proceeding which order will address the revenue requirement impact of the new rule.

WHEREFORE, MGE respectfully offers these supplemental comments.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by electronic mail to all counsel of record as shown on the official service list on the Missouri Public Service Commission website this 28th day of January, 2004.

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